

14. INTERNATIONAL AFFAIRS

Table 14-1. FEDERAL RESOURCES IN SUPPORT OF INTERNATIONAL AFFAIRS

(In millions of dollars)

Function 150	1998 Actual	Estimate						
		1999	2000	2001	2002	2003	2004	
Spending:								
Discretionary Budget Authority ¹ ..	18,991	40,850	21,311	21,165	20,815	20,965	21,115	
Mandatory Outlays:								
Existing law	-4,992	-4,355	-3,886	-3,680	-3,393	-3,150	-3,057	
Credit Activity:								
Direct loan disbursements	2,346	4,002	1,759	N/A	N/A	N/A	N/A	
Guaranteed loans	12,369	13,376	12,983	N/A	N/A	N/A	N/A	
Tax Expenditures:								
Existing law	11,040	12,410	12,265	13,100	14,075	15,160	16,280	
Proposed legislation			-310	-540	-570	-600	-630	

N/A = Not available

¹ 1999 includes \$18.4 billion for the International Monetary Fund quote increase and the New Arrangements to Borrow.

The Administration proposes \$21.3 billion for International Affairs programs in 2000. By fully funding these programs, the United States can continue to provide critical international leadership to accomplish key strategic goals, such as enhancing national security, fostering world-wide economic growth, supporting the establishment and consolidation of democracy, and improving the global environment and addressing other key global issues. The State Department outlined these goals more fully in its September 1997 report, "United States Strategic Plan for International Affairs."

In many cases, the performance goals that follow are from agency performance plans. If an agency has not submitted 2000 performance plan to OMB, the performance goals remain unchanged from the International Affairs chapter of the 1999 Budget. In addition to the goals identified below, agencies have established other performance goals for themselves to ensure that they fulfill their legislative mandates in ways that also contribute to U.S. national interests.

National Security

U.S. security depends on active diplomacy, steps to resolve destabilizing regional conflicts, and vigorous efforts to reduce the continuing threat of weapons of mass destruction. The budget proposes the necessary funds to support the Middle East peace process following the signing of the Wye Memorandum. The budget also provides funds to help the new NATO members—Poland, Hungary, the Czech Republic—and other East European nations. A strong, active United Nations enhances U.S. diplomatic efforts, and the budget proposes to fund assessed contributions to this and other international organizations, as well as annual assessed and voluntary peacekeeping contributions.

Economic and reconstruction assistance and police training are critical to our effort to support the Dayton Accords on Bosnia, and funding under the FREEDOM Support Act helps foster the transition to market democracies in the former Soviet Union. For Kosovo, the budget includes resources to support observers to verify compliance by all parties and the training of a professional, local

police force. Finally, the budget fully supports further progress on our efforts to control weapons of mass destruction by requesting \$48 million under the restructured State Department which will incorporate the Arms Control and Disarmament Agency for programs that seek to reduce eliminate, or curb the spread of such weapons.

Relevant agencies will meet the following performance goals in 2000:

- The State Department, in seeking to advance the Middle East peace process, will achieve significant progress towards fulfilling the goals of the Oslo Accord.
- The State Department will avert or defuse regional conflicts where critical national interests are at stake through bilateral U.S. assistance and U.N. peacekeeping activities.
- The State and Defense Departments will ensure that the armed forces of NATO's "candidate countries" can operate in a fully integrated manner with other NATO forces upon their planned entry into NATO.
- The State and Defense Departments and the Agency for International Development (USAID) will achieve significant progress toward implementing the Dayton Accords in Bosnia.
- The State Department will achieve full compliance with, and verification of, treaties regarding weapons of mass destruction and, if necessary, combat suspected development programs.

Economic Prosperity

International affairs activities increase U.S. economic prosperity in several ways. First, the U.S. Trade Representative (USTR), supported by the State Department and other agencies, works to reduce barriers to trade in U.S. goods, services, and investments by negotiating new trade liberalizing agreements and strictly enforcing existing agreements.

Second, the Export-Import Bank (Eximbank) and the Trade and Development Agency (TDA) provide grant and credit financing to correct market distortions that can put U.S. exports at a competitive disadvantage. The Overseas

Private Investment Corporation (OPIC) provides investment insurance and financing for development projects in support of U.S. businesses large and small.

Third, development assistance from the Multilateral Development Banks (MDBs) and USAID, along with debt reduction, help increase economic growth, openness, and market orientation in developing and transitioning countries, creating new markets for U.S. goods and services and reducing the economic causes of instability in these regions.

Relevant agencies will meet the following performance goals in 2000:

- USTR will use the Third World Treaty Organization (WTO) Ministerial Conference to set the negotiating agenda for the round that begins in 2000; will conclude two or more pending accession negotiations to the WTO; will negotiate cuts in specific, identified barriers to U.S. and global trade; and will effectively enforce international trade agreements.
- The Eximbank will develop new mechanisms to expand the availability of financing for U.S. exports by pioneering joint ventures with the private sector, as well as innovative financing programs that will increase the Bank's support for small and medium-sized exporters.
- OPIC will increase the amount of private U.S. investment that supports American, foreign policy and development goals and benefits the U.S. economy.
- TDA will increase, from 1998 levels, the ratio of TDA-supported exports to TDA expenditures and the percentage of TDA projects that ultimately yield U.S. exports.
- USAID, through bilateral assistance, and the Treasury Department, through its contributions to the MDBs, will provide assistance that helps to increase the real annual per capita GDP growth rate from 1998 levels in developing countries.

American Citizens and U.S. Borders

The State Department, through the U.S. passport office and the network of embassies and consulates overseas, helps and protects Americans who travel and reside abroad—

most directly through various consular services, including citizenship documentation and help in emergencies. The Department also helps to control how immigrants and foreign visitors enter and remain in the U.S. by effectively and fairly administering U.S. immigration laws overseas and screening applicants, in order to deter illegal immigration and prevent terrorists, narcotics traffickers, and other criminals from entering the United States.

The State Department will meet the following performance goals in 2000:

- Improve U.S. passport security by issuing all passports produced in the United States with a digitized passport photo.
- Complete the world-wide modernization of consular systems and meet year 2000 requirements, thus contributing to border security.

Law Enforcement

The expansion and rising sophistication of transnational crime, international drug trafficking, and terrorism represent direct threats to our national security. The State Department has broad responsibility for federal law enforcement policy and program coordination in the foreign arena. The budget funds the State Department's diplomatic efforts to convince other countries to work cooperatively to address international criminal threats; it also funds assistance and training that helps other countries combat corruption, terrorism, and illegal narcotics, and provides the developing countries with economic alternatives to narcotics cultivation and export.

The State Department, working with the Departments of Justice, the Treasury, and Defense, will meet the following performance goals in 2000:

- Increase, from 1998 levels, the number of foreign governments that enact and enforce legislation to combat corruption, money laundering, and other transnational criminal activities.
- Reduce, from 1998 levels, the hectares of coca and opium poppies being cultivated in producing countries.

- Increase, from 1998 levels, criminal justice section training, providing equipment, and technical assistance to local and federal law enforcement organizations.

Democracy

Advancing U.S. interests in the post-Cold War world often requires efforts to support democratic transitions, address human rights violations, and promote U.S. democratic values. The budget funds the State Department's diplomatic efforts that discourage other nations' interference with the basic democratic and human rights of their citizens. It also funds direct foreign assistance through USAID and other agencies that helps countries develop the institutions and legal structures for the transition to democracy. Finally, the budget funds exchange and training programs of the State Department, as well as international broadcasting programs that seek to spread U.S. democratic values throughout the world and ensure that Americans understand and value the peoples and cultures of other nations.

Relevant agencies will meet the following performance goals for 2000:

- USAID, State Department public diplomacy programs, and international broadcasting programs will provide assistance that lead to the improvement of Freedom House ratings of countries in which the United States is assisting the transition to democracy.
- As a result of State Department diplomacy and direct assistance, the instances of human rights abuses as reported by the State Department in the annual U.S. Report on Human Rights will be reduced from 1998 levels.
- Public diplomacy activities will increase, from 1998 levels, the support for democracy, democratic institutions, and human rights in selected countries that participate in the programs, as measured through polling.

Humanitarian Response

U.S. values demand that we help alleviate human suffering from foreign crises, whether man-made or natural, such as Hurricane

Mitch, even in cases with no direct threat to U.S. security interests. The budget provides the necessary funds to address and, where possible, try to prevent, humanitarian crises through USAID's Foreign Disaster Assistance and Transition Initiatives programs, through the State Department's Migration and Refugee Assistance program, and through food aid provided under "Public Law 480" authorities. The budget also funds U.S. bilateral demining efforts to address the growing humanitarian crisis caused by landmines in areas of former conflict.

Relevant agencies will meet the following performance goals for 2000:

- USAID, in conjunction with other public and private donors, will provide humanitarian assistance that will maintain the nutritional status of children aged five or under living in regions affected by humanitarian emergencies.
- The State Department will reduce refugee populations, from 1998 levels, through U.S.-sponsored integration, repatriation, and resettlement activities.
- The State Department will increase, from 1998 levels, the amount of land returned to productive economic activity by clearing mines and other unexploded ordnance. Over time, this will also result in a reduction of innocent casualties.

Global Issues

The global problems of environmental degradation, population growth, and the spread of communicable diseases directly affect future U.S. security and prosperity. The State Department's negotiation of the Kyoto global climate change treaty and USAID's five-year, \$1 billion global climate change assistance effort will reduce the threat of this global problem. Funding of current commitments and arrears to the Global Environment Facility remains critical to the effort of reducing environmental degradation.

Similarly, U.S. leadership and U.S. bilateral assistance efforts and U.S. contributions to multilateral organizations are critical to reduce the pressures of illegal immigration on the U.S. economy, and help alleviate the causes of regional conflict. U.S. support, mainly through USAID both for bilateral and multilateral activities also reduces the global threat of AIDS and other communicable diseases.

Finally, the volunteer programs of the Peace Corps serve U.S. national interests by promoting mutual understanding between Americans and the people of developing nations and providing technical assistance to interested countries.

Relevant agencies will meet the following performance goals in 2000:

- The State Department and USAID, working with the Environmental Protection Agency and with other bilateral and multilateral donors, through diplomacy and foreign assistance will slow the rate of increase, from 1998 levels, of climate change gas emissions among key developing nation emitters.
- USAID will provide assistance in conjunction with other donors that will cut, from 1998 levels, the total fertility rates in developing countries.
- USAID, working with the Department of Health and Human Services and with other donors, will provide assistance that will reduce, from 1998 levels, the infant mortality rate and the rate of new cases of AIDS, malaria, tuberculosis and other communicable diseases in developing countries.
- The Peace Corps will provide opportunities for 4200 Americans in 2000 to enter service as new volunteers, assisting countries with their development needs and increasing cultural awareness.